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MONTANA TEACHERS' RETIREMENT SYSTEM

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1982 ANNUAL REPORT

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The Teachers' Retirement System



State of Montana

1500 Sixth Ave. Phone 406-449-3134
HELENA, MONTANA 59620

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F. ROBERT JOHNSON, Executive Secretary
MARY L. ANDRIDGE, Ass't Executive Secretary

The Honorable Ted Schwinden
Governor
State of Montana
Capitol Building
Helena, Montana 59620

Dear Governor Schwinden:

In accordance with 19-4-201(4) MCA we are pleased to submit herewith the biennial report of the Teachers' Retirement System for the 2 fiscal years 1980-81, and 1981-82.

Assets of the System increased from \$202,144,530 to \$253,891,767 on June 30, 1982 for an increase of 25.6%.

A factor which strengthened the financial position of the System was legislation enacted in 1981 to provide proper funding for members electing to use termination pay in the calculation of retirement benefits. The net result of this legislation was to reduce the amortization period of our unfunded liability by 6.39 years.

Due to a strong investment program, yield on assets increased from 8.53% in 1980 to 10.23% in 1982.

Retirement benefits increased from \$18,942,752 in 1980 to \$24,701,020 in 1982 or an increase of 30.4%. The primary factors contributing to this increase were a post retirement adjustment on July 1, 1981 and an increase in the number of retired members.

Sincerely,

A handwritten signature in cursive script, reading "F. Robert Johnson".

F. Robert Johnson
Executive Secretary

T A B L E O F C O N T E N T S

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PRINCIPAL OFFICES AND OFFICERS
THE TEACHERS' RETIREMENT SYSTEM

TEACHERS' RETIREMENT BOARD

<u>MEMBER</u>	<u>TERM</u>	<u>ADDRESS</u>
LEROY CORBIN, CHAIRMAN	7/1/82 to 7/1/86	1208 W. Silver Butte, MT
DR. HAROLD WENAAS	7/1/79 to 7/1/83	601 52 South Great Falls, MT
JAMES E. BURKE	7/1/80 to 7/1/84	216 South 5th Livingston, MT
J. THOMAS RYAN	7/1/81 to 7/1/85	1057 Phillips Lane Helena, MT
J. WILLIAM KEARNS, JR.	7/1/81 to 7/1/85	210 North Walnut Townsend, MT
EDWARD F. ARGENBRIGHT	Ex Officio	State Capitol Helena, MT

ADMINISTRATIVE OFFICERS

F. ROBERT JOHNSON	Executive Secretary
MARY L. ANDRIDGE	Assistant Executive Secretary

LEGAL ADVISOR

M. VALENCIA LANE, ATTORNEY	Department of Administration
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PROFESSIONAL CONSULTANTS

HENDRICKSON and ASSOCIATES INC.	Actuarial Consultants 1820 Eleventh Ave. Helena, MT
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FINANCIAL SECTION

AUDITOR'S REPORT

BALANCE SHEET

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE

STATEMENT OF CHANGES IN FINANCIAL POSITION

NOTES TO FINANCIAL STATEMENTS

STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL
HELENA, MONTANA 59620
406/449-3122



ROBERT R. RINGWOOD
LEGISLATIVE AUDITOR

DEPUTY LEGISLATIVE AUDITORS.

JAMES H. GILLET
FINANCIAL/COMPLIANCE
AND CONTRACTED AUDITS

SCOTT A. SEACAT
PERFORMANCE/SUNSET AUDITS

STAFF LEGAL COUNSEL
JOHN W. NORTHEY

The Legislative Audit Committee
of the Montana State Legislature:

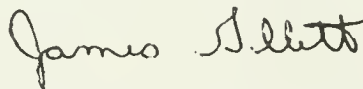
We have examined the Balance Sheet of the Teachers' Retirement Fund as of June 30, 1982, the related Statement of Revenues, Expenses, and Changes in Fund Balance, and the Statement of Changes in Financial Position for the two years then ended. Our examination was made in accordance with generally accepted governmental auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the investments or investment income of the fund, which constitutes 92 percent of total assets for fiscal year 1981-82 and 36 and 38 percent of total operating revenues for fiscal years 1980-81 and 1981-82, respectively. These investments were examined by other auditors whose report thereon has been furnished to us. Our opinion expressed herein, insofar as it relates to the amounts included for investments and investment income, is based solely on the opinion of the other auditors.

As disclosed in Note B of the financial statements, the Teachers' Retirement Division applies the deferral and amortization method of accounting to gains and losses on bond swaps. Generally accepted

accounting principles require that bond swaps be reported on the completed transaction method. The above departure from generally accepted accounting principles has resulted in a net understatement of losses on the Statement of Revenues, Expenses and Changes in Fund Balance of \$4,902,495 and \$5,147,625 for fiscal years 1980-81 and 1981-82, respectively. The asset account Deferred Losses and the liability account Deferred Gains are overstated by \$11,382,281 and \$161,372, respectively, on the June 30, 1982 Balance Sheet which results in an \$11,220,909 overstatement of fund balance.

In our opinion, based upon our examination and the report of other auditors, and except for the effects of deferring gains and losses on bond swaps as described in the preceding paragraph, the financial statements referred to above present fairly the financial position of the Teachers' Retirement Fund, as of June 30, 1982 and the results of its operations and changes in financial position for the two fiscal years then ended, in conformity with generally accepted accounting principles which, except for the change, with which we concur, in reporting the activity of the fund, as described in Note G to the financial statements, have been applied on a consistent basis.


Respectfully submitted,



James H. Gillett, CPA
Deputy Legislative Auditor

October 22, 1982

Approved:



Robert R. Ringwood
Legislative Auditor

TEACHERS' RETIREMENT FUND

BALANCE SHEET

JUNE 30, 1982

ASSETS

Cash in Treasury		\$ 1,036,090
Accounts Receivable		3,670,702
Interest Receivable		4,498,488
Investments at Cost:		
Mortgages	\$ 39,396,966	
Securities	159,986,468	
Common Stock	33,774,459	
Land and Buildings	146,313	
Total Investments		<u>233,304,206</u>
Deferred Loss		<u>11,382,281</u>
TOTAL ASSETS		<u>\$253,891,767</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts Payable	\$ 415,283
Uncleared Collections	16,340
Unamortized Mortgage Discounts	229,996
Deferred Gains	161,372
Accrued Expenditures	348
Total Liabilities	<u>823,339</u>

Fund Balance:

Annuity Savings Reserve	143,946,111
Annuity Reserve	39,243,321
Pension Accumulation Reserve	69,878,996
Total Fund Balance	<u>253,068,428</u>

TOTAL LIABILITIES AND FUND BALANCE	<u>\$253,891,767</u>
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The notes to the financial statements are an integral part of this statement.

TEACHERS' RETIREMENT FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 1982

Operating Revenues:	
Membership Contributions	\$ 18,230,806
Employer Contributions	17,880,140
Investment Earnings	21,825,559
Total Operating Revenues	<u>57,936,505</u>
Operating Expenses:	
Benefit Payments	24,701,020
Withdrawals	5,893,999
Administrative Expenses	324,661
Investment Expense	82,270
Prior Year Adjustments	108,905
Depreciation Expense	3,961
Total Operating Expenses	<u>31,114,816</u>
Operating Transfer In:	
Public Employees' Retirement System	<u>21,199</u>
Operating Income	<u>26,842,888</u>
Fund Balance, July 1, 1981	<u>226,225,540</u>
Fund Balance, June 30, 1982	<u>\$253,068,428</u>

The notes to the financial statements are an integral part of this statement.

TEACHERS' RETIREMENTY FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 1981

Operating Revenues:	
Membership Contributions	\$ 16,674,792
Employer Contributions	15,780,560
Investment Earnings	18,141,767
Total Operating Revenues	<u>50,597,119</u>
Operating Expenses:	
Benefit Payments	20,599,213
Withdrawals	4,742,599
Administrative Expenses	270,669
Investment Expense	67,032
Prior Year Adjustments	128,676
Depreciation Expense	3,961
Total Operating Expenses	<u>25,812,150</u>
Operating Transfers In:	
Public Employees' Retirement System	29,829
Operating Income	<u>24,814,798</u>
Fund Balance, July 1, 1980	201,406,561
Reserve for Reverted Appropriation	640
Adjustment to Fund Balance	<u>3,541</u>
Fund Balance, June 30, 1981	<u>\$226,225,540</u>

The notes to the financial statements are an integral part of this statement.

TEACHERS' RETIREMENT FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 1982

Source of Working Capital:	
Net Operating Income	\$26,842,888
Use of Working Capital:	
Investments	<u>(25,316,442)</u>
Net Increase in Working Capital	<u>\$ 1,526,446</u>
Elements of Net Increase in Working Capital:	
Cash	\$ (295,541)
Accounts Receivable	932,464
Interest Receivable	505,579
Accounts Payable	373,333
Accrued Expenditures	17,161
Deferred Revenue	1,661
Property Held in Trust	275
Uncleared Collections	<u>(8,486)</u>
Net Increase in Working Capital	<u>\$ 1,526,446</u>

The notes to the financial statements are an integral part of this statement.

TEACHERS' RETIREMENT FUND

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 1981

Source of Working Capital:	
Net Operating Income	\$24,814,798
Use of Working Capital:	
Investments	(25,173,054)
Items not Requiring Working Capital:	
Donations	<u>3,541</u>
Net Decrease in Working Capital	<u>\$ (354,715)</u>

Elements of Net Decrease in Working Capital:	
Cash	\$ (547,343)
Accounts Receivable	(82,720)
Interest Receivable	651,124
Accounts Payable	(364,788)
Accrued Expenditures	(3,002)
Deferred Revenue	(1,009)
Property Held in Trust	450
Uncleared Collections	<u>(7,427)</u>
Net Decrease in Working Capital	<u>\$ (354,715)</u>

The notes to the financial statements are an integral part of this statement.

TEACHERS' RETIREMENT DIVISION

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 1982

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Teachers' Retirement System maintains its accounts on the full accrual basis of accounting.

Valuation of Investments

Short-term investments and state securities are stated at cost. Federal and corporate securities are stated at book value increased by the amount of unamortized premiums (\$117,639 in fiscal year 1982) and decreased by unamortized discounts (\$14,216,468 in fiscal year 1982).

Market values of the investments were as follows:

	<u>June 30, 1982</u>
Common Stock	\$ 35,931,716
Securities:	
Repurchase Agreements	3,300,000
Bankers Acceptance	4,978,253
U.S. Government Securities	5,857,531
Canadian Obligations	12,530,761
Corporate Bonds	92,270,345
Securities Subtotal	<u>118,936,890</u>
Montana Mortgages	39,383,527
Land and Building	146,368
	<u>\$194,398,501</u>

NOTE B. GAINS AND LOSSES ON BOND SWAPS

The deferral and amortization method was used for accounting for gains and losses on bond swaps (i.e., the unamortized deferred

gains or losses are netted against the investment account and written off over the life of either the bond sold or acquired, whichever is less). We understand that this practice is currently under study by the National Council on Governmental Accounting.

NOTE C. DESCRIPTION OF PLAN

The Teachers' Retirement System is a defined benefit plan that covers all teachers in the state of Montana. Six and three-sixteenths of a member's salary is deducted by the employer and is sent to the Retirement System to be credited to the member's individual account. The employer pays an amount equal to 6.463 percent of the member's salary to the Retirement System.

A detailed description of the Teachers' Retirement System Plan can be found in the Montana Code Annotated, Title 19, Chapter 4, and in the Montana Teachers' Retirement System Handbook of Information, available upon request from the Teachers' Retirement System, 1500 Sixth Avenue, Helena, Montana, 59620.

NOTE D. UNFUNDED ACCRUED LIABILITY

Method of Funding

The method of funding employed in the actuarial valuation as of July 1, 1981, is commonly referred to as the entry age normal cost method. This method establishes a normal cost of the system, as well as an unfunded percentage of total salaries required to fund the benefits, assuming this percentage had been contributed since each member's entry into the system.

The unfunded accrued liability represents the excess of the present value of total liabilities over the present assets of the system and the present value of expected future contributions for

normal costs. The unfunded accrued liability was calculated to be \$402,612,325 as of June 30, 1981. The amortization period of the unfunded liability was determined to be 48.5 years.

The actuary concluded that the Retirement System is funded on an actuarially sound basis. This means that the present employee/employer contribution rate is sufficient to fund the actuarial liability.

Change in Actuarial Assumptions

Disability rates are based upon the ordinary disability rates published by the Railroad Retirement Board in its eighth valuation with modifications to reflect the Teachers' Retirement System experience. The study revealed that the number of members receiving disability benefits is higher than had been projected. For the net result refer to withdrawal rates.

Withdrawal rates are based upon a recent study of the experience of the Teachers' Retirement System. The study indicated that the number of terminations was less than projected. In setting new long-term withdrawal rate assumptions, consideration was given to the current state of the economy which would tend to discourage terminations. It was also recognized that some school districts have had a reduction in personnel due to reduced enrollment. The net result of the change in the disability and withdrawal assumptions was an increase in the funding rate of .201 percent. This resulted in an increase in the amortization period of 2.70 years.

The net effect of the disability rate changes was minor because the increased liability for disability tended to offset the liability for retirements. The majority of the funding rate increase was attributable to the change in the withdrawal assumptions.

Future salaries are based upon a recent study of longevity and meritorious increases by age. In addition to the base increases, an inflationary increase of 5½ percent per year is assumed.

- (1) A miscalculation was found to have occurred in a computer program which had been prepared in 1975 by the state's data processing division to extract data for the actuarial valuation. The program inappropriately annualized all salaries which resulted in salaries paid under a ten or nine month contract being overstated. A valuation was performed to determine the magnitude of the error and it was determined that the amortization period had been understated by 3.03 years and the 40-year funding rate understated by .266 percent.
- (2) A major reduction in the funding requirements also occurred as the result of legislation pertaining to the handling of termination pay in the calculation of average final compensation. The new legislation provides a member with three options in regard to the use of termination pay in the calculation of benefits and establishes a rate of contributions for the specific option elected. Previously, termination pay was simply added to a member's average final compensation, with only regular contributions required. As a result of this legislation, there was a reduction of .474 percent in the funding rate and a reduction in the amortization period of 6.39 years.

NOTE E. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN
BENEFITS

The actuarial present value of accumulated plan benefits is as follows:

1. Vested benefits of participants receiving payments:	\$226,352,000
2. Vested benefits of current employees:	187,519,000
3. Nonvested benefits of current employees:	11,802,000

The present value of vested benefits of current employees anticipating future benefit increases based upon projected salary increases would be \$354,152,000. Similarly, the present value of nonvested benefits based upon anticipated increases based on projected salary increases would be \$22,453,000.

The projected increases in vested benefits are based upon an underlying cost-of-living assumption of 5½ percent plus increases for meritorious service and longevity.

NOTE F. LITIGATION

As of June 30, 1982, the Board is party to one lawsuit which would allow certain members, both retired and active, to purchase additional creditable service for private teaching employment within the state of Montana. Should the case be decided against the Board, the decision would have definite cost implications which would result in increased funding requirements. At this time, the exact number of members eligible to purchase the service, as well as the amount of service cannot be determined. Therefore, the cost is undeterminable at this time

NOTE G. REPORTING

Teachers' Retirement Division's financial statements presented in reports previous to this one were prepared from the activity in the 09089 accounting entity (Teachers' Retirement Agency Account) only. To properly reflect all activities of the division, the current financial statements for fiscal years 1980-81 and 1981-82 were consolidated from the following accounting entities: 02077 - Teachers' Retirement Earmarked Revenue Account; 09089 - Teachers' Retirement Agency Account; and 09307 - Teachers' Retirement Fullam Estate Agency Account.

ACTUARIAL SECTION

INTRODUCTION

ANALYSIS OF VALUATION

NORMAL COST ALLOCATION

CONTRIBUTION AND LIABILITY ALLOCATIONS

PRESENT VALUE OF BENEFITS

ACTUARIAL FUNDING METHOD AND ASSUMPTIONS

COMPARISON SUMMARY

SECTION I

INTRODUCTION

An actuarial valuation of the Teachers' Retirement System of the State of Montana has been completed as of July 1, 1981. This valuation was authorized by the Teachers' Retirement Board under Section 19-4-201, M.R.C. The purpose of the valuation was to determine the financial position of the fund, the normal cost, and the unfunded accrued liability based upon present and prospective assets and liabilities of the system as of July 1, 1981.


Section II presents an analysis of the results of the actuarial valuation. The numerical findings supporting this analysis are shown in Section III.

In conducting the actuarial valuation, certain assumptions were made as to the future experience of the system. A summary and discussion of each of the assumptions is contained in Section IV.

The valuation is based upon the Teachers' Retirement Act and incorporates all amendments as of July 1, 1981. Employee data and other records supplied by the system are summarized by classification in Section V and VI. A summary of the major provisions of the Act is contained in Section VII.

ACTUARIAL CERTIFICATION

Based upon the assumptions stated in this report and the employee data and other records provided by the Teachers' Retirement System, the actuarial valuation contained in this report has been performed in accordance with generally accepted actuarial principles and techniques.


Alton P. Hendrickson
Member, American Academy
of Actuaries

SECTION II

ANALYSIS OF VALUATION OF TEACHERS' RETIREMENT SYSTEM

Summary of Findings

Based on the valuation which was conducted as of July 1, 1981, we have concluded that the Montana Teachers' Retirement System is funded on an actuarially sound basis. The present contribution rate of 12.619% of salaries is sufficient to finance the cost of benefits as they accrue in the future as well as to amortize the current unfunded liability over a period of 48.50 years. If the unfunded liability is to be funded over a recommended period of 40 years, the required contribution rate would be 13.339% of salaries.

The previous valuation as of July 1, 1979 was based on a contribution rate of 12.499% of salaries. This rate was increased to 12.619% by the 1981 Legislature to fund supplemental benefits to retirees. The 1979 valuation determined that a rate of 13.089% would be required to fund the unfunded liability over a recommended period of 40 years. The increased rate of 13.339% of salaries recommended by the 1981 valuation is partially attributable to the supplemental benefits to retirees.

The current amortization period of the unfunded liability based on the statutory contribution rates has increased from 48.15 years in 1979 to 48.50 years in 1981. There were many offsetting factors which resulted in this slight increase, as discussed below.

Active Members

There were three factors pertaining to active members which substantially affected the results of this valuation:

1. In reviewing the data which had been prepared for the July 1, 1981 actuarial valuation, the Teachers' Retirement System determined that a majority of the salaries had been miscalculated. This miscalculation was found to have occurred in a computer program which had been prepared in 1975 by the State's data processing division for the sole purpose of extracting data for the actuarial valuation. The program inappropriately annualized all salaries, which resulted in salaries paid under a ten month contract being overstated by 20%.

The computer program was corrected and the salaries recalculated. From the revised figures, it was determined that the previous salaries had been overstated, in aggregate, by 18.6%. It was further determined that the salaries had been overstated in the previous three actuarial valuations.

A valuation was performed to determine the magnitude of the error generated by the inaccurate data. This valuation determined that the amortization period had been understated by 3.03 years and that the 40 year funding rate had been understated by .266%.

2. A major reduction in the funding requirements resulted from legislation pertaining to the handling of termination pay. A member may now (1) use the full amount in the calculation of the average final compensation by adequately compensating the System for the additional benefits, (2) pay the regular contribution on the termination pay and average such pay over all years of creditable service, or (3) exclude the pay from the average final compensation and make no additional contributions. Previously, termination pay was used to determine the final average compensation, with only regular contributions required.

This legislative change resulted in a reduction of .474% in the rate of salaries required to fund the benefits. This amount was sufficient to reduce the period of amortization of the unfunded liability by 6.39 years.

3. As a customary part of the valuation, we conducted a study to compare the actuarial assumptions against the actual experience of the System. The study revealed that the number of members receiving disability benefits is higher than had been projected by the actuarial assumptions. The study was based upon disabilities in the last eight years and determined that an increase in the disability rate assumptions was warranted.

A similar study of the withdrawal rates concluded that the number of actual terminations was less than had been projected. In setting new long-term withdrawal rate assumptions, consideration was given to the current state of the economy which would tend to discourage terminations. It was also recognized that some school districts have had a reduction in personnel due to reduced enrollment.

The net result of the change in the disability and withdrawal assumptions was an increase in the funding rate of .201%. This resulted in an increase in the amortization period of 2.70 years.

The net effect of the disability rate changes was minor because the increased liability for disability tended to offset the liability for retirements. The majority of the funding rate increase was attributable to the change in the withdrawal assumptions. A summary of the new actuarial assumptions is shown in Section IV.

Inactive Members

The liability for inactive lives increased substantially from the previous valuation. This increase was mainly attributable to the increase in average monthly benefits. The average monthly benefits for the retirees, disableds and survivors increased from \$337 to \$417. The increase in average benefits resulted from new retirees as well as supplemental benefits granted by the 1981 legislature. The \$300 minimum benefit had the largest impact upon the average benefits.

An additional funding rate of .12% of salaries was approved by the Legislature to finance the cost of supplemental benefits to retirees.

The liability for disability benefits increased disproportionately because of a reclassification of disabilities in this valuation. Some disableds had previously been included under the category of retirement rather than disability.

General

The Teachers' Retirement System has made a concerted effort during the last two years to improve the quality of the data provided for the actuarial valuation. As a result, the data is more complete; in fact, no pertinent information was missing for inactive members. A sampling of the data has also shown the information to be quite accurate.

Our examination of the data leaves us no reason to believe that any major errors exist in the information used in this valuation. The computer calculations used to extract salary data for previous valuations were unfortunately in error, as discussed above. It is important that this discrepancy be considered when comparing the results of this valuation with previous valuations.

SECTION III
SCHEDULE A
NORMAL COST ALLOCATION

(1) Normal Cost Contribution Rate:

(a) Retirement	5.160%
(b) Death	.410
(c) Disability	.320
(d) Vested Terminations	.812
(e) Withdrawals	<u>1.085</u>
(f) Total Rate	7.787%

(2) Present Value of Future Salaries
Of Current Members

\$2,290,402,951

(3) Present Value of Future Normal Costs
For Current Members (1(f) * (2))

\$ 178,353,678

SCHEDULE B
CONTRIBUTION AND LIABILITY ALLOCATIONS

(1) Unfunded Accrued Liability

(a) Present Value of Benefits	\$ 807,543,614
(b) Present Value of Future Normal Costs	178,353,678
(c) Fund Assets	<u>226,577,611</u>
(d) Unfunded Liability (a)-(b)-(c)	\$ 402,612,325

(2) Contribution Rates Amortized over 40.00 Years

(a) Present Value of Salaries During Next 40.00 Years	\$7,251,629,810
(b) Unfunded Contribution Rate 1(d)/2(a)	5.552%
(c) Normal Cost Rate (Schedule 1)	<u>7.787%</u>
(d) Total Funding Rate	13.339%

(3) Contribution Rates Amortized over 48.50 Years

(a) Present Value of Salaries During Next 48.50 Years	\$8,332,271,952
(b) Unfunded Contribution Rate 1(d)/3(a)	4.832%
(c) Normal Cost Rate (Schedule 1)	<u>7.787%</u>
(d) Total Funding Rate	12.619%

SCHEDULE C

PRESENT VALUE OF BENEFITS

(1) Present Value of Benefits - Inactive Members

(a)	Retirement	\$192,236,817	
(b)	Death	15,250,194	
(c)	Disability	8,832,519	
(d)	Vested Terminations	6,546,635	
(e)	Withdrawals	2,213,625	
(f)	Tax Sheltered Annuity	1,219,338	
(g)	Excess Interest Payment	<u>52,375</u>	
(h)			\$226,351,503

(2) Present Value of Benefits - Active Members

(a)	Retirement	\$431,053,296	
(b)	Death	28,760,851	
(c)	Disability	18,749,343	
(d)	Vested	54,636,739	
(e)	Withdrawals	45,331,310	
(f)	Tax Sheltered Annuity	2,620,206	
(g)	Legacy Fund	<u>40,366</u>	
(h)	Total Active		<u>\$581,192,111</u>

(3)	Total Liabilities		<u>\$807,543,614</u> -----
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SECTION IV

ACTUARIAL FUNDING METHOD AND ASSUMPTIONS

The true cost of the Teachers' Retirement System will be determined by its own future experience. In determining the financial requirement of a system, certain assumptions must be made as to the expected future experience. This section summarizes the funding method applied as well as the basic assumptions used.

Any variations in the actual experience of the system from those assumed in this valuation may cause changes in the projected future costs of the system. It is therefore necessary that the actuarial assumptions be reviewed from time to time with adjustments as experience warrants. It is also important that regular valuations be performed to determine the financial effect of variations between the actual and assumed experience.

The assumptions shown below were based upon the actual past experience of the system together with our projections as to future experience.

FUNDING METHOD

The method of funding employed is commonly referred to as the entry age normal cost method. This method establishes a normal cost of the system as well as an unfunded accrued liability. The normal cost is the level percentage of total salaries required to fund the benefits, assuming this percentage had been contributed since each member's entry into the system.

The unfunded accrued liability represents the excess of the present value of total liabilities over the present assets of the system and the present value of expected future contributions for normal costs.

In order to maintain the system on an actuarially sound basis, the total rate of contribution should be such as to meet the normal cost in addition to making progress towards the amortization of the unfunded accrued liability.

MORTALITY RATES

The mortality rates for males and females are based upon a published table referred to as the 1971 Group Annuity Mortality Table. The expected annual rates of mortality for selected ages are shown below:

<u>Age</u>	<u>Female</u>	<u>Male</u>
25	.035%	.062%
30	.047	.081
35	.065	.112
40	.094	.163
45	.140	.292
50	.215	.529
55	.326	.852
60	.549	1.312
65	.956	2.126
70	1.648	3.611
75	3.239	5.529
80	5.609	8.743
85	8.918	13.010
90	13.858	17.945

DISABILITY RATES

The disability rates are based upon the ordinary disability rates published by the Railroad Retirement Board in its eighth valuation, with modifications to reflect the Teachers' Retirement System's experience. The expected annual rates of disability for selected ages are shown below:

<u>AGE</u>	<u>Annual Rate of Disability</u>
25	.024%
30	.024
35	.032
40	.072
45	.152
50	.272
55	.496
60	1.586

WITHDRAWAL RATES

The withdrawal rates are based upon a recent study of the experience of the Teachers' Retirement System. Sample rates are shown below:

<u>Age</u>	<u>Annual Rate of Withdrawal</u>
25	14.50%
30	12.05
35	9.93
40	7.95
45	5.60
50	3.10
55	1.90
60	1.40

FUTURE SALARIES

The rates of future salary increases are based upon a recent study of longevity and meritorious increases by age. In addition to the base increases, an inflationary increase of 5½% per year is assumed. Sample rates are shown below for longevity and meritorious increases as well as total annual increases:

<u>Age</u>	<u>Longevity and Meritorious</u>	<u>Total</u>
20	3.90%	9.61%
25	3.40	9.09
30	3.00	8.67
35	2.10	7.72
40	1.10	6.66
45	.60	6.13
50	.50	6.03
55	.50	6.03
60	.50	6.03

RETIREMENT RATES

Based upon a recent study of the experience of the Teachers' Retirement System, retirements were assumed to occur at an average age of 62. The retirement age was appropriately adjusted for those members who had less than five years of service and for those who had already attained the average retirement age.

INVESTMENT EARNINGS

The annual rate of net return was assumed to be 7% for future investment earnings.

EXPENSES

The administrative expenses are assumed to be paid from investment income in excess of the assumed rate of 7%.

ASSETS

The security investments are valued at amortized book value. The real estate mortgages are valued at full principle value.

SECTION V
COMPARISON SUMMARY

	<u>Fiscal Year Ended 1979</u>	<u>Fiscal Year Ended 1981</u>
Present Value of Benefits	\$739,207,759	\$807,543,614
Present Value of Normal Costs	208,880,426	178,353,678
Unfunded Accrued Liability	354,351,575	402,615,381
Assets	\$175,975,758	\$226,577,611
Active Members		
Number of Lives	15,122	14,055
Annual Payroll	\$246,085,408	\$237,411,637
Inactive Members		
Number of Lives	4,529	4,885
Monthly Benefits	\$ 1,527,664	\$ 2,022,079
Contributions Based on Payroll		
Employer Share	\$ 15,532,911	\$ 15,270,316
Employee Share	\$ 15,225,304	\$ 14,688,658

INVESTMENT SECTION

INDUSTRIAL

BANKS AND INSURANCE

OTHER FINANCIAL

TRANSPORTATION EXCLUDING RAILROADS

RAILROADS

UTILITIES

CANADIAN HOLDINGS

CONVERTIBLE BONDS

U.S. GOVERNMENT

OTHER HOLDINGS

LAND AND BUILDINGS

MONTANA COMMON STOCK POOL

MORTGAGES

TRITON GROUP LTD - COMMON STOCK

TEACHERS' RETIREMENT FUND

INDUSTRIAL

SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
AMAX INC	1,000	14.250	12/15/90	992,500	880,720	14.391
AMERICAN CAN COMPANY	1,000	11.375	07/01/10	993,680	680,590	11.450
AMERICAN HOSPITAL SUPPLY CORP	500	7.875	08/15/07	498,500	275,265	7.900
ANACONDA CO	100	6.625	11/15/93	98,000	58,602	6.793
ANACONDA CO	250	6.625	11/15/93	226,562	146,505	7.510
ANACONDA CO	100	6.625	11/15/93	63,416	58,602	12.200
ANACONDA CO	100	6.625	11/15/93	59,781	58,602	13.248
ARCHER DANIELS MIDLAND	1,000	16.000	05/15/11	995,000	970,000	16.080
ARKANSAS LOUISIANA GAS	500	9.100	10/01/98	500,000	319,880	9.100
ARMCO STEEL	500	9.200	07/15/00	331,970	309,450	14.415
ATLANTIC RICHFIELD	300	8.625	04/01/00	300,000	188,460	8.625
BERKSHIRE HATHAWAY PP	385	8.000	03/01/93	385,000	234,388	8.000
BETHLEHEM STEEL	500	8.450	03/01/05	500,000	246,995	8.450
BURLINGTON INDUSTRIES	1,000	11.250	08/01/90	995,000	799,740	11.334
BURLINGTON INDUSTRIES	500	9.000	08/15/95	352,000	327,170	13.799
CITIES SERVICE	525	6.625	08/01/99	441,828	256,541	8.043
CITIES SERVICE	500	13.000	09/15/05	500,000	416,290	13.000
CITIES SERVICE	250	6.625	08/01/99	229,375	122,163	7.330
CONSOLIDATED NATURAL GAS	1,000	12.875	10/01/00	1,000,000	838,550	12.875
CONTINENTAL OIL	500	8.875	06/01/01	498,750	313,160	8.900
COPPERWELD STEEL	50	7.875	12/15/01	28,473	27,042	14.500
COPPERWELD STEEL	200	7.875	12/15/01	113,880	108,168	14.500
DAYTON HUDSON CORP	104	9.750	06/01/95	104,000	72,809	9.750
DOW CHEMICAL CO	200	7.750	07/15/99	129,610	110,132	12.750
DOW CHEMICAL CO	150	7.750	07/15/99	97,945	82,599	12.651
DOW CHEMICAL CO	100	8.875	05/01/00	64,037	62,434	14.550
EATON	300	7.000	04/01/11	146,400	132,750	14.571

TEACHERS' RETIREMENT FUND

INDUSTRIAL	SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
	ENGELHARD MINERALS & CHEMICALS	515	11.750	08/01/05	400,412	377,243	15.249
	ENGELHARD MINERALS & CHEMICALS	1,000	11.750	08/01/05	723,350	732,510	11.750
	ENGELHARD MINERALS & CHEMICALS	500	11.750	08/01/05	497,500	366,255	11.812
	ENGELHARD MINERALS & CHEMICALS	500	11.750	08/01/05	497,500	366,255	11.812
	ENSERCH	1,000	16.375	04/01/07	996,000	995,000	16.440
	ENSERCH	500	7.500	12/01/96	498,750	269,890	7.522
	FOOD MAKER INC PP	133	8.750	11/01/89	133,331	96,452	8.750
	FORD MOTOR CO	250	7.850	01/15/94	142,515	134,215	15.848
	GENERAL AMERICAN TRANSPORTATION	500	8.150	06/01/97	500,000	297,950	8.150
	GENERAL MILLS	176	8.875	10/15/95	176,000	111,952	8.875
	GULF OIL CORP	400	5.350	06/15/91	312,000	234,128	7.888
	GULF OIL CORP	50	6.625	06/15/93	50,000	29,635	6.625
	HALLIBURTON CO	500	9.250	04/01/00	497,500	331,590	9.302
	HONEYWELL	500	9.375	06/15/09	329,260	316,235	14.400
	HOOVER CHEMICAL PP	443	10.500	06/29/96	443,962	323,338	10.500
	HOOVER CHEMICAL PP	20	10.500	06/29/96	20,725	15,094	10.500
	INCO LIMITED	500	12.375	07/15/10	496,000	359,960	12.476
	INGERSOLL RAND	200	8.050	03/01/04	115,620	107,586	14.450
	INGERSOLL RAND	500	8.750	05/01/85	498,500	424,135	8.796
	INLAND STEEL	500	9.500	09/01/00	497,500	286,250	9.550
	INLAND STEEL	500	7.900	01/15/07	500,000	231,495	7.900
	INTERNATIONAL HARVESTER	100	6.250	03/01/98	100,000	27,000	6.250
	INTERNATIONAL PAPER CO	500	8.850	12/15/00	500,000	309,140	8.850
	J RAY McDERMOTT & CO	500	9.625	03/15/04	498,750	312,570	9.651
	JC PENNEY	500	12.000	07/15/10	500,000	378,950	12.000
	JC PENNEY	500	12.000	07/15/10	495,000	378,950	12.122

TEACHERS' RETIREMENT FUND

INDUSTRIAL	SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
JC PENNEY		250	9.000	06/15/99	250,000	156,498	9.000
KENNECOTT COPPER CORP		650	7.875	05/01/01	366,528	340,099	14.650
KENNECOTT COPPER CORP		350	7.875	05/01/01	201,568	183,131	14.350
KENNECOTT COPPER CORP		300	7.875	05/01/01	291,000	156,969	8.144
KEWANEE OIL CO		1,000	7.625	05/15/97	602,960	543,750	13.941
KRAFT INC		500	7.600	01/15/07	500,000	275,570	7.600
LUCKY STORES		774	16.000	10/29/01	774,137	774,137	8.095
LUCKY STORES		130	16.000	10/29/01	130,009	135,951	16.000
LUCKY STORES BAKERY PP		96	16.000	12/10/01	96,284	100,724	16.000
MARATHON OIL		250	8.500	02/01/00	249,375	148,465	8.523
MARATHON OIL		100	7.650	11/01/83	100,000	91,298	7.650
MARATHON OIL		250	7.650	11/01/83	250,000	228,245	7.650
MONSANTO		441	9.125	07/01/00	287,708	279,448	14.650
MOTOROLA		1,500	8.000	10/01/07	836,280	826,125	14.649
NATIONAL STEEL CORP		300	8.375	08/01/06	300,000	146,244	8.375
OUTBOARD MARINE CORP		100	7.750	02/01/96	99,500	49,782	7.795
PACKAGING CORP OF AMERICA		105	4.375	10/01/87	105,000	64,818	4.375
PHILIP MORRIS PP		1,000	8.875	11/30/98	1,000,000	619,200	8.875
PPG INDUSTRIES		500	9.000	06/15/95	386,965	335,850	12.400
RESEARCH PROPERTIES INC PP		236	8.250	11/01/99	236,130	136,153	8.250
RICHARDSON MERRELL		500	8.850	12/15/99	329,865	303,840	14.050
RJ REYNOLDS INDUSTRIES		500	8.000	01/15/07	500,000	281,035	8.000
RJ REYNOLDS TOBACCO CO		50	7.875	09/01/94	49,875	31,703	7.898
SCOTT PAPER		200	8.875	06/01/00	187,868	121,396	9.550
SEARS ROEBUCK & CO		500	8.000	04/01/06	320,590	274,000	12.800
SEARS ROEBUCK & CO		500	8.000	04/01/06	498,750	274,000	8.020
SHELL OIL		200	5.300	03/15/92	199,500	110,488	5.318
SHELL OIL		200	7.250	02/15/02	113,108	107,130	13.680
SHELL OIL		1,000	14.250	06/15/11	1,000,000	922,500	14.250
SHELL OIL		500	8.750	05/15/05	496,250	305,360	8.821

TEACHERS' RETIREMENT FUND

INDUSTRIAL	SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
SHELL OIL		150	5.300	03/15/92	111,750	82,866	7.750
SHELL OIL BT ALASKA PP		438	8.400	03/14/01	438,129	267,084	8.400
SHELL OIL UST ATLANTIC PP		466	9.300	03/07/02	466,266	309,508	9.300
SMITH INTERNATIONAL		500	9.850	05/15/04	500,000	327,120	9.850
ST REGIS PAPER		1,000	10.625	06/15/10	961,250	660,130	11.070
STANDARD BRANDS		100	6.750	06/01/93	62,738	60,208	13.262
STANDARD OIL CO OHIO		250	8.500	01/01/00	249,375	150,278	8.523
STANDARD OIL OF CALIFORNIA		500	7.000	04/01/96	426,875	283,770	8.624
STANDARD OIL OF CALIFORNIA PP		878	8.500	07/02/99	878,857	548,846	8.500
STANDARD OIL OF CALIFORNIA PP		324	7.500	01/01/99	324,117	183,159	7.500
SUN OIL		150	7.125	05/01/02	109,614	81,029	10.200
SYSTEMS BUILDING CORP PP		569	8.000	07/01/97	569,434	328,564	8.000
TENNECO		500	9.875	05/01/00	396,030	329,945	12.800
TENNECO		500	8.375	04/01/02	293,400	282,010	14.900
TENNECO		500	12.125	05/01/05	398,405	374,105	15.350
TENNECO		1,000	14.500	04/01/06	985,000	865,330	14.726
UNION CARBIDE CORP		1,000	8.500	01/15/05	566,700	577,250	15.400
UNION OIL CO OF CALIFORNIA		900	8.625	03/01/06	893,250	538,830	8.695
UNION OIL CO OF CALIFORNIA		250	6.625	06/01/98	128,767	129,730	14.424
UNION OIL CO OF CALIFORNIA		100	8.625	03/01/06	99,250	59,870	8.695
UNION OIL CO OF CALIFORNIA PP		477	7.500	01/01/98	477,777	266,934	7.500
WESTERN AUTO SUPPLY CO		300	7.850	01/15/96	250,728	154,233	9.700
WESTERN AUTO SUPPLY CO		200	7.850	01/15/96	198,500	102,822	7.919
WEYERHAEUSER		800	8.625	10/01/00	494,224	492,216	14.650
WILCO CHEMICAL		500	9.500	08/15/09	498,125	316,320	9.538
YOUNGSTOWN SHEET & TUBE CO PP		626	4.600	07/01/95	420,877	218,850	7.527
SUBCLASS TOTAL		48,861			43,024,570	32,226,301	

TEACHERS' RETIREMENT FUND

BANKS AND INSURANCE	SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
	AMERICAN GENERAL INSURANCE CO	500	9.375	12/15/08	496,250	298,325	9.450
	AMERICAN GENERAL INSURANCE CO	500	9.375	12/15/08	496,250	298,325	9.450
	AMERICAN GENERAL INSURANCE CO	250	9.375	12/15/08	154,450	149,163	15.350
	BANKAMERICA CORP	500	8.350	05/15/07	299,000	282,330	14.275
	BANKERS TRUST NEW YORK CORP	500	8.625	11/01/02	498,750	288,305	8.649
	CHEMICAL NEW YORK	500	8.250	08/01/02	497,350	281,025	8.300
	CHEMICAL NEW YORK	400	8.250	08/01/02	397,880	224,820	8.300
	CITICORP NOTES	500	8.450	03/15/07	315,320	283,720	13.650
	CITICORP NOTES	700	8.450	03/15/07	474,138	397,208	12.700
	CITICORP NOTES	500	8.450	03/15/07	305,410	283,720	14.100
	CITICORP NOTES	500	8.450	03/15/07	315,320	283,720	13.650
	CITICORP NOTES	500	8.125	07/01/07	312,895	272,310	13.250
	CITICORP NOTES	500	8.450	03/15/07	270,865	283,720	15.876
	CITICORP NOTES	500	8.125	07/01/07	495,000	272,310	8.215
	CROCKER NATIONAL	500	8.600	12/01/02	314,885	287,475	14.150
	FIRST INTERSTATE BANCORP	1,000	12.250	05/15/10	819,030	770,960	15.000
	FIRST INTERSTATE BANCORP	1,000	12.250	05/15/10	992,000	770,960	12.350
	FIRST SECURITY PP	500	8.500	10/01/97	500,000	301,050	8.500
	FLEET FINANCIAL	200	8.250	01/01/96	120,506	116,116	15.248
	MANUFACTURERS HANOVER	300	8.125	08/15/07	189,243	160,527	13.150
	NLT CORP NOTES	500	8.800	05/01/85	500,000	421,195	8.800
	SAFECO CORP	500	7.600	12/15/86	500,000	382,430	7.600
	SUBCLASS TOTAL	11,350			9,264,542	7,109,714	
OTHER FINANCIAL							
	AMERICAN EXPRESS CREDIT CORP	1,000	11.250	07/01/00	793,100	728,390	14.449

TEACHERS' RETIREMENT FUND

OTHER FINANCIAL	SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
ASSOCIATES INVESTMENT CO		300	7.375	12/01/88	297,660	203,454	7.451
BENEFICIAL CORP		500	8.350	02/15/88	500,000	362,825	8.350
BENEFICIAL CORP		500	8.300	06/01/03	500,000	268,880	8.300
BENEFICIAL FINANCE CO		50	5.000	11/01/90	33,812	26,101	8.326
CHANNELVIEW LEASING CO PP		477	9.250	07/15/96	477,647	314,531	9.250
CHRYSLER FINANCIAL CORP		100	7.700	03/01/92	98,250	51,625	7.877
CIT FINANCIAL CORP		150	4.625	05/01/89	91,125	86,594	8.977
CIT FINANCIAL CORP		150	6.375	10/01/86	136,500	110,895	7.398
CLARK EQUIPMENT CREDIT CORP		300	7.850	12/15/91	300,000	185,355	7.850
CNA FINANCIAL CORP		250	8.500	12/15/95	248,750	136,253	8.549
FORD MOTOR CREDIT		500	8.375	05/01/84	498,500	425,540	8.439
GENERAL MOTORS ACCEPTANCE CORP		180	6.250	08/01/88	136,855	119,588	10.801
HELLER WALTER F CO		300	9.500	12/01/89	300,000	186,816	9.500
HONEYWELL FINANCE		500	8.200	12/15/98	275,815	287,465	15.920
INTERNATIONAL HARVESTER CREDIT		300	7.500	01/15/94	298,500	107,625	7.550
INTERNATIONAL HARVESTER CREDIT		200	8.625	08/01/91	200,000	75,500	8.625
INTERNATIONAL HARVESTER CREDIT		300	7.500	01/15/94	298,500	107,625	7.550
INTERNATIONAL HARVESTER CREDIT		200	7.500	01/15/94	199,000	71,750	7.550
INTERNATIONAL HARVESTER CREDIT		100	7.500	01/15/94	99,500	35,875	7.550
TRAILMOBILE FINANCIAL CO		250	7.875	03/15/93	178,032	150,893	12.500
TRANSAMERICA FINANCIAL		500	9.875	03/01/99	359,340	323,090	14.251
SUBCLASS TOTAL		7,107			6,320,886	4,366,670	
TRANSPORTATION EXCLUDING RAILROADS							
CALIFORNIA & HAWAIIAN SUGAR CO PP		373	8.250	08/24/93	373,797	237,548	8.250
EXXON PIPELINE CO		1,000	9.000	10/15/04	697,140	637,050	13.200
LAKEHEAD PIPELINE		100	7.125	04/15/93	86,297	60,335	8.503
NATURAL GAS PIPELINE OF AMERICA		1,000	9.250	03/01/95	771,890	651,970	12.800
PLANTATION PIPELINE PP		212	7.000	02/01/99	212,500	107,164	7.000
PLANTATION PIPELINE PP		255	4.500	02/01/94	167,113	108,707	7.687
SOHIO BP TRANS ALASKA PIPELINE		500	9.750	12/01/99	532,500	336,760	9.058

TEACHERS' RETIREMENT FUND

SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
TRANSPORTATION EXCLUDING RAILROADS						
SUBCLASS TOTAL	3,440			2,841,237	2,139,534	
RAILROADS						
AMERICAN RAIL BOX CAR PP	331	9.125	11/01/90	331,331	247,272	9.125
BURLINGTON NORTHERN	250	8.600	01/15/99	230,000	157,813	9.501
BURLINGTON NORTHERN PP	359	7.750	01/15/86	359,262	287,051	7.750
BURLINGTON NORTHERN PP	120	9.625	10/01/87	120,000	97,056	9.625
FRUIT GROWERS EXPRESS PP	16	7.000	04/15/83	16,666	15,648	7.000
FRUIT GROWERS EXPRESS PP	196	9.250	05/15/89	196,000	147,588	9.250
GRAND TRUNK WESTERN RAILWAY PP	77	9.250	09/15/85	77,642	65,771	9.250
GSCX FIRST EQUIPMENT PP	98	9.750	06/15/86	98,769	82,532	9.750
LOUISVILLE & NASHVILLE RR EQUIP TRUST	100	7.000	03/01/84	100,000	87,940	7.000
MISSOURI PACIFIC RR PP	799	9.750	06/01/94	799,999	564,640	9.750
HORFOLK & WESTERN RY EQUIP PP	50	8.875	10/01/84	50,000	44,040	8.875
NORTHERN PACIFIC RY EQUIP PP	18	6.625	02/01/84	18,479	16,249	6.625
PENN CENTRAL TRANSPORT PP	161	10.000	05/15/85	161,020	142,036	10.000
PULLMAN TRANSPORT LEASING	200	7.750	06/15/92	200,000	120,836	7.750
SEABOARD COASTLINE RY EQUIP PP	91	10.500	12/01/85	91,591	80,188	10.500
SOUTHERN RR	400	7.375	11/15/91	388,548	248,960	7.700
SPOKANE PORTLAND & SEATTLE RR PP	39	9.625	03/01/85	39,780	34,848	9.625
ST LOUIS SAN FRANCISCO RY TRUST PP	30	9.500	02/01/85	30,000	26,295	9.500
ST LOUIS SAN FRANCISCO RY TRUST PP	99	9.750	07/01/85	99,277	86,073	9.750
ST LOUIS SOUTHWESTERN RY PP	500	9.000	08/01/91	500,000	350,750	9.000
TOWSON EQUIPMENT CORP	94	8.500	01/01/85	94,154	81,481	8.500
TRAILER TRAIN PP	40	7.125	12/01/82	38,232	38,652	7.759
TRAILER TRAIN PP	13	7.250	12/15/83	13,333	11,949	7.250
TRAILER TRAIN PP	66	10.500	07/15/85	66,666	58,880	10.500

TEACHERS' RETIREMENT FUND

SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
RAILROADS						
TRAILER TRAIN PP	388	8.750	04/01/89	388,888	285,717	8.750
UNION PACIFIC RR	500	7.700	01/01/91	500,000	337,700	7.700
UNION TANK CAR	39	9.300	11/15/89	39,000	30,030	9.300
SUBCLASS TOTAL	5,074			5,048,637	3,747,995	
UTILITIES						
ALABAMA POWER CO	500	10.500	12/01/05	500,000	314,745	10.500
AMERICAN TEL & TEL	100	7.000	02/15/01	99,250	52,634	7.060
BROOKLYN UNION GAS	636	4.375	05/28/88	407,325	385,893	8.251
CAROLINA POWER & LIGHT	100	4.500	11/01/91	102,125	50,721	4.366
CAROLINA POWER & LIGHT	500	4.500	11/01/91	276,610	253,605	11.800
CENTRAL ILLINOIS LIGHT	500	9.250	05/01/06	496,250	300,590	9.325
CENTRAL ILLINOIS PUBLIC SERVICE	100	5.875	05/01/97	89,290	48,036	6.754
CENTRAL ILLINOIS PUBLIC SERVICE	25	4.750	01/01/89	18,343	15,352	7.356
CENTRAL MAINE POWER	200	7.700	07/01/97	200,000	108,578	7.700
CENTRAL POWER & LIGHT	1,000	12.375	01/01/10	1,000,000	789,010	12.375
CENTRAL TELEPHONE FLORIDA	500	7.650	02/01/97	500,000	273,445	7.650
CHESAP & POTOMAC TELEPHONE MARYLAND	100	5.875	06/01/04	101,137	42,744	5.799
CHESAP & POTOMAC TELEPHONE VIRGINIA	225	5.250	05/01/05	227,406	86,211	5.185
CHESAP & POTOMAC TELEPHONE VIRGINIA	120	5.625	03/01/07	121,440	48,079	5.549
CHESAP & POTOMAC TELEPHONE VIRGINIA	400	5.625	03/01/07	171,428	160,264	13.750
CHESAP & POTOMAC TELEPHONE WEST VIRGINIA	200	9.000	05/15/15	186,750	119,804	9.659
CLEVELAND ELECTRIC	1,000	16.625	03/01/12	983,750	990,000	16.897
COLUMBIA GAS SYSTEM	100	10.250	05/01/99	81,354	70,157	12.902
COLUMBIA GAS SYSTEM	100	9.125	05/01/96	73,952	64,318	13.032
COLUMBIA GAS SYSTEM	1,700	10.250	05/01/99	1,309,867	1,192,669	13.700
COLUMBIA GAS SYSTEM	500	12.750	08/01/00	497,500	411,980	12.817
COLUMBIA GAS SYSTEM	300	10.250	05/01/99	231,171	210,471	13.700
COMMONWEALTH EDISON	300	5.250	04/01/96	120,000	132,291	16.000
COMMONWEALTH EDISON	170	3.250	07/01/82	146,412	169,929	4.387

TEACHERS' RETIREMENT FUND

UTILITIES

SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
COMMONWEALTH EDISON PP	1,000	9.125	06/01/98	1,000,000	622,700	9.125
CONSOLIDATED EDISON NY	50	4.375	10/01/92	39,812	23,708	5.951
CONSOLIDATED EDISON NY	200	4.625	12/01/93	205,671	92,608	4.448
CONSOLIDATED EDISON NY	150	5.900	12/15/96	150,000	70,979	5.900
CONSOLIDATED NATURAL GAS	250	8.125	06/01/97	158,092	154,695	13.929
CONSOLIDATED NATURAL GAS	500	8.375	09/01/96	454,970	323,010	9.450
CONSOLIDATED NATURAL GAS	200	8.125	06/01/97	131,724	123,756	13.341
CONSUMERS POWER PP	1,000	10.625	07/01/99	1,000,000	680,200	10.625
DELAWARE POWER & LIGHT	50	4.625	10/01/94	50,937	21,318	4.507
DETROIT EDISON	150	6.000	12/01/96	150,000	64,224	6.000
DIAMOND STATE TELEPHONE	50	4.750	04/01/94	51,125	22,592	4.604
DUQUESNE LIGHT	100	5.125	02/01/96	101,152	43,606	5.048
EL PASO ELECTRIC	1,000	16.350	05/01/91	1,000,000	1,030,780	16.350
EL PASO ELECTRIC	100	4.625	02/01/92	73,125	49,113	7.012
EL PASO ELECTRIC PP	1,000	9.950	05/01/04	1,000,000	651,000	9.950
EQUITABLE GAS	455	8.000	06/15/97	455,000	256,711	8.000
GENERAL TELEPHONE CALIFORNIA	100	4.625	12/01/91	83,625	51,381	5.905
GENERAL TELEPHONE CALIFORNIA	1,000	10.750	10/01/09	972,500	653,610	11.066
GENERAL TELEPHONE FLORIDA	200	7.500	08/01/02	198,080	101,486	7.581
GENERAL TELEPHONE KENTUCKY PP	1,000	13.750	12/01/00	1,000,000	888,500	13.750
GEORGIA POWER	100	4.625	10/01/94	101,550	39,236	4.528
GEORGIA POWER	500	7.500	12/01/02	500,000	241,750	7.500
GULF POWER	100	4.625	10/01/94	102,000	43,723	4.499
HARTFORD ELECTRIC LIGHT	50	4.250	04/01/93	49,625	19,871	4.295
IDAHO POWER	500	9.000	08/15/08	496,875	285,010	9.060
IDAHO POWER	65	4.500	10/15/88	54,112	38,149	5.901
ILLINOIS BELL TELEPHONE	50	4.875	07/01/97	49,025	20,851	5.001

TEACHERS' RETIREMENT FUND

SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
UTILITIES						
ILLINOIS POWER CO	50	5.850	10/01/96	39,750	24,612	7.594
INDIANA BELL TELEPHONE	50	4.750	10/01/05	51,312	17,511	4.606
INDIANA BELL TELEPHONE	300	4.375	06/01/03	304,500	100,773	4.293
INTERNATIONAL TEL & TEL	500	12.625	02/01/05	456,250	379,935	13.880
IOWA ILLINOIS GAS AND ELECTRIC	500	8.750	04/01/06	498,750	288,915	8.770
IOWA PUBLIC SERVICE	1,000	9.750	09/01/09	985,000	624,040	9.907
KANSAS CITY POWER & LIGHT	900	7.625	05/01/02	498,042	464,274	14.400
KENTUCKY POWER	650	5.125	01/01/96	472,365	284,252	7.537
LONG ISLAND LIGHTING	500	4.550	06/01/95	500,000	188,400	4.550
LOUISVILLE GAS & ELECTRIC	250	4.875	10/01/90	147,347	140,958	12.100
MAINE YANKEE ATOMIC POWER	700	9.100	05/01/02	441,000	420,637	14.937
MINNESOTA POWER & LIGHT	500	8.350	09/01/07	500,000	272,810	8.350
MINNESOTA POWER & LIGHT	500	8.350	09/01/07	500,000	272,840	8.350
MINNESOTA POWER & LIGHT	400	8.700	09/01/06	400,000	226,200	8.700
MONONGAHELA POWER	250	8.875	05/01/01	254,637	139,735	8.698
MONTANA POWER	500	9.875	01/01/09	496,435	288,970	9.949
MONTANA POWER	500	8.625	03/01/04	501,335	282,090	8.599
MONTANA POWER	500	9.875	01/01/09	496,435	288,970	9.875
MONTANA POWER	600	7.500	04/01/01	602,500	304,644	7.466
MOUNTAIN STATES TEL & TEL	500	7.750	06/01/13	500,000	259,230	7.750
UTILITIES						
NARRAGANSETT ELECTRIC	1,000	17.750	02/01/12	991,360	1,010,340	17.900
NATIONAL RURAL UTILITIES	1,000	14.750	02/01/11	981,250	905,570	15.028
NATIONAL RURAL UTILITIES	1,500	14.750	02/01/11	1,500,000	1,358,355	14.750
NATIONAL RURAL UTILITIES	1,000	9.750	09/01/09	995,200	639,220	9.800
NATIONAL RURAL UTILITIES	500	9.750	04/01/09	497,600	319,800	9.800
NATIONAL RURAL UTILITIES	1,000	9.750	09/01/09	622,580	639,220	15.800

TEACHERS' RETIREMENT FUND

UTILITIES

SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
POTOMAC ELECTRIC POWER	100	4.500	05/15/99	100,000	38,041	4.500
POTOMAC ELECTRIC POWER	400	4.500	05/15/99	228,188	152,164	9.150
PUBLIC SERVICE COLORADO	50	4.500	10/01/91	51,062	25,306	4.363
PUBLIC SERVICE COLORADO	500	9.250	10/01/08	500,000	294,520	9.250
PUBLIC SERVICE ELECTRIC & GAS	295	7.750	08/15/96	295,000	166,401	7.750
PUBLIC SERVICE ELECTRIC & GAS	400	7.500	04/01/02	400,000	208,448	7.500
PUBLIC SERVICE ELECTRIC & GAS	50	4.375	11/01/86	46,750	35,019	4.880
PUBLIC SERVICE ELECTRIC & GAS	10	4.625	08/01/88	9,300	6,316	5.155
PUBLIC SERVICE INDIANA	1,000	15.750	12/01/11	960,350	951,700	16.399
PUBLIC SERVICE NEW HAMPSHIRE	200	7.625	06/15/02	200,000	97,862	7.625
PUGET SOUND POWER & LIGHT	50	4.625	11/01/93	50,200	20,365	4.599
ROCHESTER GAS & ELECTRIC	100	4.500	11/15/91	102,125	49,975	4.365
SAN DIEGO GAS & ELECTRIC CO	50	5.500	09/01/94	50,000	21,920	5.500
SAN DIEGO GAS & ELECTRIC CO	50	5.500	09/01/94	34,062	21,920	8.074
SOUTH CAROLINA ELECTRIC & GAS	500	10.125	04/01/09	495,000	353,520	10.231
SOUTHERN BELL TEL & TEL	100	4.000	10/01/83	94,875	90,400	4.402
SOUTHERN BELL TEL & TEL	25	4.375	03/01/98	20,093	9,438	5.756
SOUTHERN BELL TEL & TEL	165	4.750	09/01/00	166,980	62,009	4.674
SOUTHERN BELL TEL & TEL	500	4.750	09/01/00	174,445	187,905	15.450
SOUTHERN CALIFORNIA EDISON	1,000	16.000	04/15/12	986,440	965,000	16.220
SOUTHERN CALIFORNIA EDISON	100	4.875	09/01/82	72,625	98,498	8.501
SOUTHERN CALIFORNIA GAS	1,000	12.750	11/01/99	1,000,000	831,520	12.750
SOUTHERN NEW ENGLAND TELEPHONE	250	8.125	05/01/08	246,250	135,735	8.255
SOUTHWESTERN BELL TELEPHONE	1,000	11.375	01/15/20	806,250	734,680	14.125
SOUTHWESTERN PUBLIC SERVICE	500	8.750	03/01/08	500,000	289,285	8.750
TUCSON GAS & ELECTRIC PP	250	4.550	02/01/95	250,000	99,600	4.550
UNION ELECTRIC	300	4.500	11/01/93	302,405	120,678	4.450

TEACHERS' RETIREMENT FUND

UTILITIES

SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
NATIONAL RURAL UTILITIES	500	15.750	08/15/91	497,500	496,165	15.750
NEW ENGLAND TEL & TEL	75	4.500	07/01/02	60,000	26,183	5.856
NEW ENGLAND TEL & TEL	100	4.625	04/01/99	66,080	37,913	7.476
NEW ENGLAND TEL & TEL	150	4.000	04/01/93	123,000	64,704	5.271
NEW YORK STATE ELECTRIC & GAS	200	6.250	09/01/97	187,700	88,626	6.751
NEW YORK TELEPHONE	50	4.500	05/15/91	44,125	28,820	5.368
NORTHERN INDIANA PUBLIC SERVICE	500	11.750	12/15/09	500,000	385,135	11.750
NORTHERN STATES POWER	250	4.375	09/01/93	249,687	113,738	4.382
OHIO BELL TELEPHONE	150	5.000	02/01/06	151,500	54,845	4.941
OHIO EDISON	350	9.500	05/15/08	347,375	201,355	9.576
OTTER TAIL POWER	500	9.625	11/01/08	500,000	301,255	9.625
OTTER TAIL POWER PP	990	13.375	11/01/05	990,000	852,489	13.375
PACIFIC GAS & ELECTRIC	20	4.500	12/01/86	17,600	13,721	5.511
PACIFIC GAS & ELECTRIC	1,000	16.250	02/01/14	979,170	961,290	16.583
PACIFIC GAS & ELECTRIC	300	6.750	12/01/00	146,847	139,023	14.799
PACIFIC GAS & ELECTRIC	190	8.000	06/01/03	105,450	99,404	14.943
PACIFIC GAS & ELECTRIC	100	6.750	12/01/00	93,250	46,341	7.302
PACIFIC GAS & ELECTRIC	1,000	6.875	12/01/99	518,560	476,500	14.349
PACIFIC GAS & ELECTRIC	500	10.125	08/01/12	498,750	317,050	10.151
PACIFIC NORTHWEST BELL TELEPHONE	250	4.500	12/01/00	253,150	89,828	4.429
PACIFIC NORTHWEST BELL TELEPHONE	50	4.500	04/01/03	40,590	17,239	5.748
PACIFIC TEL & TEL	200	4.625	05/01/00	188,250	71,562	4.983
PACIFIC TEL & TEL	500	9.875	02/15/16	500,000	312,450	9.875
PACIFIC TEL & TEL	1,000	16.125	04/01/21	990,000	961,950	16.288
PACIFIC TEL & TEL	20	6.000	11/01/02	15,300	8,385	8.041
PACIFIC TEL & TEL	400	4.625	04/01/99	410,200	147,772	4.477
PENNSYLVANIA ELECTRIC	100	4.625	10/01/94	101,875	30,500	4.507
PENNSYLVANIA POWER & LIGHT	500	7.500	01/01/03	498,125	241,700	7.531
PHILADELPHIA ELECTRIC	100	7.750	12/15/00	63,710	48,254	12.801
POTOMAC ELECTRIC POWER	50	4.625	12/01/93	51,812	23,111	4.402

TEACHERS' RETIREMENT FUND

SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
UTILITIES						
UNITED TELEPHONE INDIANA PP	125	9.125	04/01/00	125,000	78,438	9.125
UNITED TELEPHONE MISSOURI PP	20	7.875	06/01/03	20,000	10,520	7.875
UNITED TELEPHONE NORTHWEST PP	455	10.750	09/01/99	455,000	324,051	10.750
UNITED TELEPHONE PENN PP	125	9.750	06/01/00	125,000	81,275	9.750
UTAH POWER & LIGHT	600	7.500	05/01/02	600,000	304,950	7.500
UTAH POWER & LIGHT	1,000	16.375	12/01/11	982,500	985,000	16.664
UTAH POWER & LIGHT	1,000	16.375	12/01/11	975,000	985,000	16.788
UTAH POWER & LIGHT	500	10.250	11/01/05	502,500	359,885	10.195
UTAH POWER & LIGHT	1,200	9.125	05/01/08	1,200,000	702,768	9.125
VIRGINIA ELECTRIC POWER	150	4.500	05/01/95	149,062	61,823	4.538
WASHINGTON GAS LIGHT CO	569	6.250	06/15/92	323,283	333,206	14.499
WASHINGTON WATER POWER	400	4.625	09/01/94	400,000	171,116	4.625
WEST PENN POWER	300	4.875	12/01/95	147,000	132,477	12.508
WISCONSIN MICHIGAN POWER	200	5.875	08/01/96	170,292	96,678	7.151
WISCONSIN NATURAL GAS	100	4.875	10/01/90	100,626	54,736	4.832
WISCONSIN NATURAL GAS	150	4.875	10/01/90	106,687	82,104	7.760
WISCONSIN NATURAL GAS	100	8.750	09/15/94	101,531	63,326	8.600
WISCONSIN TELEPHONE	25	4.875	05/01/95	21,687	11,060	5.849
SUBCLASS TOTAL	61,005			55,641,182	40,612,370	
CANADIAN						
BELL TELEPHONE OF CANADA	1,000	9.000	01/15/08	1,000,000	576,470	9.000
BELL TELEPHONE OF CANADA	500	9.500	06/01/04	500,000	313,650	9.500
BRITISH COLUMBIA HYDRO & POWER	1,000	8.375	06/15/07	1,000,000	566,290	8.375
BRITISH COLUMBIA HYDRO & POWER	1,000	15.500	07/15/11	993,030	960,000	15.608
BRITISH COLUMBIA HYDRO & POWER	500	15.500	11/15/11	495,260	480,000	15.649
BRITISH COLUMBIA HYDRO & POWER PP	945	9.625	07/15/96	945,000	626,819	9.625
CANADIAN NATL RAILWAY CO	1,250	9.700	07/15/04	881,612	796,900	14.000
CANADIAN NATL RAILWAY CO	1,000	15.000	06/01/06	947,500	913,470	15.848

TEACHERS' RETIREMENT FUND

SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
CANADIAN NATL RAILWAY PP	1,000	9.250	03/15/98	1,000,000	631,000	9.250
CANADIAN NATL RAILWAY PP	815	8.500	07/15/89	815,043	590,744	8.500
CANADIAN NATL RAILWAY PP	497	9.000	07/01/91	497,307	353,436	9.000
CANADIAN PACIFIC EQUIPMENT TRUST PP	300	10.125	07/02/90	300,000	233,700	10.125
GULF CANADA	500	15.500	07/01/11	500,000	471,405	15.500
HYDRO QUEBEC	1,000	8.600	09/15/06	535,190	536,140	16.349
IMPERIAL OIL	500	9.750	09/15/09	499,030	316,455	9.769
MANITOBA HYDRO ELECTRIC BOARD	500	9.375	12/01/04	481,250	312,325	9.763
MUNICIPAL FINANCE AUTHORITY OF BC	480	8.875	05/01/01	480,000	287,933	8.875
MUNICIPAL FINANCE AUTHORITY OF BC	500	8.875	05/01/01	500,000	299,930	8.875
MUNICIPAL FINANCE AUTHORITY OF BC	800	8.200	10/15/86	800,000	634,112	8.200
MUNICIPAL FINANCE AUTHORITY OF BC	600	13.750	12/01/05	597,750	522,528	13.803
NEW BRUNSWICK ELECTRIC POWER	500	9.375	05/01/01	500,000	301,300	9.375
NOVA SCOTIA POWER	500	10.500	09/15/00	500,000	332,095	10.500
ONTARIO HYDRO PP	890	9.500	03/15/96	890,000	585,976	9.500
QUEBEC HYDRO ELECTRIC	500	8.250	01/01/04	497,500	262,395	8.290
QUEBEC HYDRO ELECTRIC	300	10.700	08/01/99	300,000	234,633	10.700
QUEBEC HYDRO ELECTRIC	200	10.700	08/01/99	200,000	156,422	10.700
QUEBEC HYDRO ELECTRIC	300	10.700	08/01/99	300,000	234,633	10.700
SUBCLASS TOTAL	17,877			16,955,472	12,530,761	
CONVERTIBLE BONDS						
CAROLINA TELEPHONE CV	63	5.750	01/15/88	55,042	49,354	7.020
CITICORP CV	100	5.750	06/30/00	100,000	65,500	5.750
FIRST BANK SYSTEMS CV	100	6.250	06/30/00	100,000	64,000	6.250
FOREMOST MCKESSON CV	50	9.750	03/15/06	50,000	42,000	9.750
HERCULES CV	200	6.500	06/30/99	200,000	143,000	6.500
JP MORGAN & CO CV	100	4.750	11/01/98	100,000	64,750	4.750

TEACHERS' RETIREMENT FUND

SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
CONVERTIBLE BONDS						
JP MORGAN & CO CV	50	4.750	11/01/98	50,000	32,375	4.750
MCGRW HILL CV	49	3.875	05/01/92	45,882	39,996	4.313
MGIC INVESTMENT CORP CV	55	5.000	12/15/93	55,000	46,888	5.000
PITTSION CO CV	120	9.200	07/01/04	200,000	79,200	9.200
WITCO CHEMICAL CORP CV	20	4.500	12/15/93	20,000	13,200	4.500
SUBCLASS TOTAL	907			975,924	640,263	
US REPURCHASE AGREEMENTS						
REPO CROCKER NATL BANK SAN FRAN	3,300	12.000	07/01/82	3,300,000	3,300,000	12.000
SUBCLASS TOTAL	3,300			3,300,000	3,300,000	
US BANKERS CERTIFICATES						
BANKERS ACCEPTANCES CONT ILL CHICAGO	1,000		07/07/82	991,891	997,181	13.900
BANKERS ACCEPTANCES MANUF HANOVER NY	1,000		07/15/82	988,583	993,958	13.700
BANKERS ACCEPTANCES MORGAN GUARANTY	1,000		07/16/82	988,762	993,557	13.950
BANKERS ACCEPTANCES 1ST NATL BK BOSTON	2,000		07/08/82	1,982,494	1,993,557	13.700
SUBCLASS TOTAL	5,000			4,951,730	4,978,253	
US GOVERNMENT SPECIAL REVENUE						
DAVERN PARK APTS INC	100	5.150	04/01/05	102,170	39,060	5.023
EL PASO COVE POINT TANKER CO USGG	500	8.100	03/31/03	500,000	297,500	8.100
FEDERAL HOME LOAN MORTGAGE CORP	350	8.200	09/15/07	348,747	206,640	8.243
FEDERAL HOUSING ADMINISTRATION	14	4.125	12/29/84	14,150	11,038	4.125
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1,000	8.550	09/12/88	998,125	742,500	8.580
GATEWAY MANOR INC	100	5.000	02/01/04	100,000	38,550	5.000
GNMA PASSTHROUGH	485	10.000	11/15/09	433,537	344,793	11.238
GULF RESTON PROPERTIES PP	391	7.950	12/20/93	391,125	247,543	7.950
HOUTECH LTD I MM USGG PP	968	14.800	10/31/96	968,000	1,002,654	14.800

TEACHERS' RETIREMENT FUND

SECURITY	PAR VALUE (000)	INTEREST RATE	MATURITY DATE	COST	MARKET VALUE	YIELD ON COST
US GOVERNMENT SPECIAL REVENUE						
MARTIN LUTHER TOWER INC FHA MORTGAGE	153	5.150	05/01/06	139,161	59,165	5.732
NORTHWEST SHIPPING CORP USGG PP	962	8.350	07/01/96	962,000	623,761	8.350
PATRIOT V SHIPPING CORP USGG	1,000	8.100	04/12/04	1,000,000	591,700	8.100
ROCKY MOUNTAIN METHODIST HOMES INC	56	5.150	07/01/05	56,000	21,829	5.150
SEA TRAIN STUYVESANT USGG SHIP	888	7.950	09/30/97	888,121	545,129	7.950
TEXACO STAR TANKERS PP	988	9.250	07/03/99	988,697	677,455	9.250
TWO BUTTES WATER FHA MORTGAGE	114	8.750	03/12/10	114,679	71,606	8.750
USGG SHIP FINANCING BONDS LNG ARIES	500	8.200	12/13/02	500,000	300,890	8.200
WALNUT CREEK MANOR	91	5.150	10/01/04	91,000	35,718	5.150
SUBCLASS TOTAL	8,660			8,595,512	5,857,531	
STATE DIRECT OR GUARANTEED HOUSING						
SRS BUILDING	1,427	9.000	11/01/96	1,427,227	1,427,228	9.000
SUBCLASS TOTAL	1,427			1,427,227	1,427,228	
OTHER HOLDINGS						
LAND & BUILDINGS	145			146,308	146,368	
MONTANA COMMON STOCK POOL	33,754			33,753,697	35,931,716	
MORTGAGES	39,384			39,383,527	39,383,527	
TRITON GROUP LTD - COMMON STOCK				166	270	
SUBCLASS TOTAL	73,283			73,283,698	75,461,881	
FUND TOTAL	247,311			231,630,659	194,398,501	

STATISTICAL

CONTRIBUTION RATES

REVENUES

EXPENDITURES

SUMMARY OF ADMINISTRATIVE EXPENSES

ACTIVE MEMBERS

RETIRED MEMBERS

LOCATION OF BENEFIT RECIPIENTS

CONTRIBUTION RATES:

<u>EMPLOYEE</u>	<u>EMPLOYER</u>
1937-73	1937-45
1973-75	1945-59
1975-77	1959-69
1977-	1969-71
	1971-73
	1973-75
	1975-77
	1977-81
	1981-9-30-81
	10-1-81-
	None
	3.75%
	4.00%
	4.50%
	5.125%
	5.25%
	6.25%
	6.312%
	6.432%
	6.463%

UNLESS OTHERWISE NOTED, CONTRIBUTION RATE CHANGES OCCUR ON JULY 1.

REVENUES BY SOURCE:

<u>YEAR</u>	<u>EMPLOYEE CONTRIBUTIONS</u>	<u>EMPLOYER CONTRIBUTIONS</u>	<u>INVESTMENT INCOME</u>	<u>OTHER</u>	<u>TOTAL</u>
1978-79	\$14,474,092	\$13,559,158	\$13,279,868		\$41,313,118
1979-80	15,516,112	14,568,361	14,945,231	\$33,195	45,062,899
1980-81	16,674,792	15,780,560	18,141,767		50,597,119
1981-82	18,230,806	17,880,140	21,825,559		57,936,505

EXPENDITURES:

<u>YEAR</u>	<u>BENEFIT PAYMENTS</u>	<u>WITHDRAWALS</u>	<u>ADMIN. EXPENSES</u>	<u>INVESTMENT EXPENSE</u>	<u>OTHER*</u>	<u>TOTAL</u>
1978-79	\$17,294,104	\$3,627,872	\$251,490		\$ 93,885	\$21,267,351
1979-80	18,942,752	3,876,793	261,232		50,532	23,131,309
1980-81	20,599,213	4,742,599	270,669	\$67,032	132,637	25,812,150
1981-82	24,701,020	5,893,999	324,661	82,270	112,866	31,114,816

* INCLUDES PRIOR YEAR ADJUSTMENTS AND DEPRECIATION

TEACHERS' RETIREMENT DIVISION
SUMMARY OF ADMINISTRATIVE EXPENSES
FOR FISCAL YEAR ENDED JUNE 30, 1982

EARMARKED REVENUE ACCOUNT

PERSONAL SERVICES

Salaries	\$152,515.45
Other Compensation	1,125.00
Employee Benefits	<u>30,226.88</u>
	183,867.33

OPERATING EXPENSES

Contracted Services	64,046.05
Supplies and Materials	5,906.69
Communications	19,857.11
Travel	5,391.03
Rent	21,268.51
Utilities	3,083.99
Repair and Maintenance	195.20
Other Expenses	754.00
Equipment	<u>2,766.45</u>
	123,269.03

\$307,136.36

AGENCY ACCOUNT

OPERATING EXPENSES

Contracted Services	9,948.50
Utilities	3,049.13
Repair and Maintenance	4,487.00
Other Expenses	<u>39.75</u>

17,524.38

324,660.74

MEMBERSHIP

<u>PERIOD ENDED</u>	<u>ACTIVE MEMBERS</u>	<u>INACTIVE VESTED MEMBERS</u>	<u>INACTIVE NON-VESTED</u>	<u>TOTAL</u>
JUNE 30, 1981	14,793*	754	2,457	17,984
JUNE 30, 1982	14,852	722	1,983	17,557

RETIRED MEMBERS AND BENEFIT RECIPIENTS

	<u>JUNE 30, 1981</u>	<u>JUNE 30, 1982</u>
RETIREMENT	4,136*	4,336
SURVIVORS	267*	268
DISABILITY	220*	223
CHILD BENEFITS	<u>45*</u>	<u>42</u>
TOTAL	4,668*	4,869

* TOTALS WILL NOT AGREE WITH THOSE SHOWN IN THE ACTUARIAL SECTION DUE TO THE DIFFERENT TIME FRAMES FROM WHICH THE INFORMATION WAS EXTRACTED

LOCATION OF BENEFIT

RECIPIENTS, 6-30-82

Alabama	1	Nevada	16
Alaska	2	New Jersey	1
Arizona	80	New Mexico	10
California	167	New York	8
Colorado	34	North Carolina	7
Connecticut	1	North Dakota	59
Florida	15	Ohio	4
Georgia	3	Oklahoma	8
Hawaii	2	Oregon	94
Idaho	51	Pennsylvania	2
Illinois	8	Rhode Island	1
Indiana	3	South Carolina	1
Iowa	6	South Dakota	25
Kansas	2	Tennessee	6
Kentucky	2	Texas	21
Louisiana	1	Utah	13
Maine	1	Virginia	9
Maryland	1	Washington	164
Massachusetts	2	West Virginia	1
Minnesota	38	Wisconsin	13
Mississippi	1	Wyoming	18
Missouri	14	Washington, D.C.	2
Montana	3936	Canada	<u>11</u>
Nebraska	4	TOTAL	4869

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